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SUBJECT: SLOVAKIA'S ROSS PEROT: RICHARD SULIK

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**11.** (U) Summary: Richard Sulik's Freedom and Solidarity party (SaS) was the unexpected success of the European Parliamentary elections earlier this year. Though SaS failed to win a MEP slot, it managed to win 4.8 percent of the vote after less than a year of existence and an inexpensive, privately financed campaign, focused primarily on the internet and in Bratislava. This result surprised many, and was the first indication that Sulik could be a serious player. We met recently with Sulik to learn more about his priorities and strategy for the upcoming regional and national elections. Sulik stressed that his aim is the sustainable establishment of a party with transparency and quasi-libertarian values. He told us that he will not form any coalitions prior to the elections, even if failing to do so will prevent him from winning a seat in the national elections. He and his members are young, and are looking at things from the long-term perspective. End summary.

#### Membership

**12.** (U) SaS currently has only 182 members, of whom only 11 percent are women. Sulik has targeted liberal, well-educated, urban elites. 50 percent of SaS members are located in Bratislava, and the other 50 percent are evenly scattered throughout the other seven regions of the country. 76 percent of the SaS members are college graduates. 55 percent of SaS members are between 18-34 years of age. Only 16 percent are over 45 years of age. 94 percent of the current SaS members have never been members of another political party. In order to become a member, each individual has to have a personal interview and sign an affidavit that he or she has never been affiliated with the communists or a collaborator with the StB, and has to describe how he or she will be active in the party.

#### Financing

**13.** (U) When queried about his party's financing, Sulik handed us a list of all of his members and their financial contributions, ranging from 30 euros to 10,000 euros. He said that in addition to members' contributions, he receives in-kind donations from some businesses. For example, the space for Sulik's much-talked about billboards was donated by a local advertising agency, so his party only has to pay for the production of the posters. Sulik's billboards have very clever and memorably catchy slogans. One of the Embassy favorites shows a simple graph of Slovakia's economic decline with the slogan "Thank you, Bolsheviks!" Sulik said that his primary goal in the 2010 parliamentary elections is to cross the 3 percent threshold, which will entitle SaS to financing from the state budget. With this foundation, his party will then concentrate on future elections.

## Referendum

**¶14.** (U) Sulik and his party have developed an innovative way to get publicity for their principles despite their lack of deep pockets. They have developed a petition to call for a general referendum for consideration of six issues. These include reducing the number of members of parliament from 150 to 100, cancelling payments to state-run media, canceling immunity for parliamentarians, limiting the price of government cars to 40,000 euros, creating a system for online elections, and making changes to the press law to eliminate the "right of reply" (reftel).

**¶15.** (U) Sulik told us that he currently has 264,000 signatures on the petition, and needs 350,000 total before he can submit it to President Gasparovic. The President is required by law to announce the referendum within 30 days of the receipt of the petition, and has to call for the referendum within 90 days of his announcement. However, the referendum cannot be called within 90 days of the next election, but it can be held on the election day itself. In order for the referendum to be valid, there must be at least 50 percent voter turnout.

**¶16.** (U) Since elections are scheduled for June 2010, Sulik hopes to have the paperwork with all the required signatures 120 days before, so that he forces President Gasparovic to either call the referendum on the election day, or to not call it, which would stir up controversy just before the election. With this strategy, Sulik hopes to maximize his chances to reach the 50 percent turnout (for context, Slovakia's referendum on EU accession received only 52 percent voter turnout, of which 92 percent supported EU accession) or capitalize on the ire of 350,000 citizens whose signatures were disregarded by the political establishment, in violation of the constitution.

## Platform

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**¶17.** (U) As an economist, successful entrepreneur, and tested manager, Sulik has some compelling economic ideas. His current pet idea is the simplification of the social benefits contributions system. In Sulik's opinion, the system is convoluted and should be streamlined to increase contributions and decrease bureaucracy. His proposal is to introduce, in addition to the 19 percent flat income tax, a 10 percent contribution for social benefits (pensions) and 8 percent for health benefits. However, SaS must still work on its social policy if it wishes to have broader appeal. Sulik said that he believes the three biggest challenges Slovakia faces are the social benefits system, the state of the judicial sector, and the Roma. He said he will continue to work on the recruitment of women and other experts in these last two fields.

## Regional Elections

**¶18.** (U) Sulik said SaS has 275 candidates for regional elections running in 85 of the 90 districts. Only 66 of these candidates are actually SaS members. Each candidate must fill out a form describing his or her past political activity (no communists allowed) and must pledge to register themselves on the Fair-Play Alliance Politikaopen.sk website where politicians disclose their finances and business connections.

**¶19.** (U) Regional elections are important for SaS's future. If SaS makes a respectable showing, it will demonstrate to potential voters in the national election that SaS's European Parliamentary election performance was not a fluke. Voter turn-out in regional elections has historically been low, which allows parties with enthusiastic, mobilized voters an opportunity to capitalize. If SaS fails to clear at least the 3 percent threshold in regional elections, it will not bode well for their performance in the parliamentary elections next year, as would-be voters would likely vote for one of the more established parties, so as not to waste their vote on a party that will not make it to parliament.

## Richard Sulik Bio Note

¶10. (U) Sulik, age 41, is the so-called father of the flat tax in Slovakia. In 1990 he established a Slovak Kinko's equivalent called FaxCopy. He reportedly sold that company for over 5 million euros. As a graduate student, he wrote his thesis arguing for the imposition of a flat tax in Slovakia. In 2002, he became an advisor for then-Minister of Finance Ivan Miklos, and lobbied for the flat tax. Miklos agreed. In 2003 the flat tax was approved, and has been in effect since January 1, 2004. From 2004-2006, Sulik took on the task of reforming Bratislava's disastrous waste management system, which he did with aplomb. He briefly served as an advisor to current Minister of Finance Pociatek, but left the Ministry in 2007.

## Comment

¶11. (U) As Sulik himself says, his members are generally from the young, elite Bratislava business class. They have creative ideas, catchy marketing, and time on their side. They use the internet more savvy than anyone else on the political scene here, and are publicly committed to transparency, all of which we think are essential elements of their potential success. We believe SaS has a good shot at crossing the three percent threshold in the national elections next June, but that will be easier to predict after next month's regional elections.

¶12. (U) Some call Sulik the "Ross Perot" of Slovakia, and like Perot, he irritates the political establishment from which he appears to be siphoning off votes. In Slovakia, that is the party of former Prime Minister Dzurinda, the Democratic and Christian Union (SDKU), whose electorate is also fairly socially liberal and forward-thinking on economic issues. If Sulik and SaS show that they pose a serious threat to SDKU's numbers next June, we can expect there to be much more scrutiny of Sulik, as his success would play into Prime Minister Fico's hands by weakening his strongest opponent. End Comment.

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